

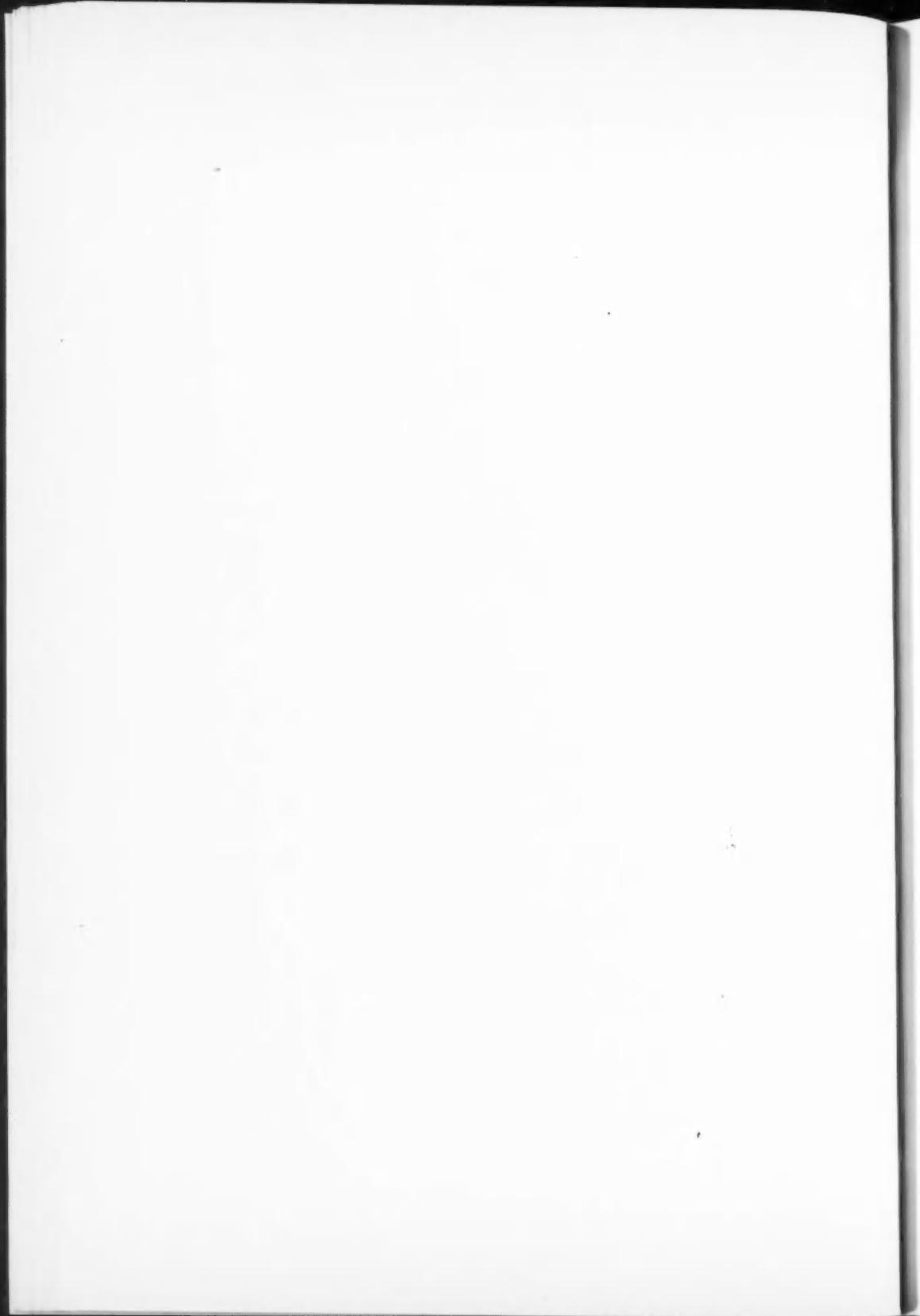
FEDERAL AID FOR SCHOOL CONSTRUCTION

by

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FEDERAL AID FOR SCHOOL CONSTRUCTION

HOLDING of Senate hearings on federal aid for school construction, more than a fortnight before receipt of the special message on the subject that President Eisenhower had said he would transmit to Congress on Feb. 15, signified the purpose of Democratic leaders to take the ball away from the administration on this particular issue. When the hearings opened, Jan. 27, Chairman Hill (D-Ala.) indicated that the Senate Committee on Labor and Public Welfare might even send his bill for a two-year, billion-dollar aid program to the floor before the White House program had been made known.

The bill sponsored by Hill, 26 other Democratic senators, two Republican senators, and Sen. Morse (Ind-Ore.) authorizes federal grants of \$500 million to the states in each of the next two years to assist in construction of new school buildings. The apparent reason for seeking to give the bill a head start through the legislative mill is a belief on Capitol Hill that the President will refrain at this time from proposing any program for substantial direct aid to meet the immediate emergency. However, Sen. Smith (R-N. J.), ranking minority member of the Labor Committee, said on Jan. 28 that, though he did not know the details, he did know that emergency provisions would be included in the administration program.

President Eisenhower said last year that decision on a comprehensive direct aid program should await completion of a series of conferences on educational needs that has now been initiated in the states and that is to culminate in a White House conference next November. But when the President, in the State of the Union message, voiced concern over the grave classroom shortage, it was assumed that he had abandoned that view in favor of immediate corrective action.

Subsequent doubts about the administration's intentions were fostered by reflection on Eisenhower's observation that

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the federal government could serve as a "catalyst" to spur state and local action on school construction.¹ Fear that use of that word ruled out direct grants seemed to be confirmed by reports that the President would come out in the special message for a system of federal guarantees of state and local school-construction bonds with, at most, a small grant program for needy states.

The President's Economic Report, sent to Congress on Jan. 20, discussed the problem of school construction but did not include grants-in-aid among suggested remedies. At his televised news conference a day earlier the President had said that nobody in the administration was going to try to anticipate or get in the way of the findings of next November's conference. He added that "What we are trying to do now is, recognizing the acute shortage of school-rooms, to find a method of helping and assisting states and localities and districts to get this thing on the rails, knowing that we can't possibly in this way hurt anything that will be done . . . by this conference."

ADMINISTRATION POLICY ON AID IN BUILDING SCHOOLS

In the State of the Union message, Jan. 6, President Eisenhower had said:

Today we face grave educational problems. . . . Up-to-date analyses of these problems and their solutions are being carried forward through the individual state conferences and the White House conference to be completed this year. However . . . an unprecedented classroom shortage . . . is of immediate concern to all our people. Affirmative action must be taken now.

In earlier public statements, he had held to the position that the central government should provide financial aid to assure adequate school housing, but that such aid should go only to areas too poor to pay their own way.

Shortly after his inauguration in 1953, the President asked for "congressional study and action" on the subject but said "the firm conditions of federal aid must be proved need and proved lack of local income." In last year's State of the Union message he reiterated the opinion set forth in 1953 and recommended that each state hold a conference to appraise its school needs; a national conference then would meet to formulate recommendations for action.

¹ The President actually used the word "agent" when he addressed Congress, but the word "catalyst" appeared in advance copies of the State of the Union message and was used in the same connection in the budget message.

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"From these conferences," he said, "every level of government . . . should gain the information with which to attack this serious problem." In the budget message a year ago the President said that he realized that the states and localities were up against formidable fiscal problems in meeting school needs, but he added: "I do not accept the simple remedy of federal intervention."

Congress last year approved the proposed educational conferences and voted \$900,000 to finance them. To date, six states have held such meetings and 18 additional states and territories have applied for funds to cover the expenses of conferences to be held later. A national citizens' committee to draw up plans for the national conference has been established, and Nov. 29 has been set as the date for its opening session.

Secretary of Health, Education and Welfare Hobby, appearing last Apr. 4 before a Senate subcommittee, said:

I think we would get action in 48 states much faster . . . if all of the 48 states joined in the solution of these school construction problems. . . . We have to ask ourselves very seriously what damage we might do to the educational system of the country if we were to appropriate small sums of money [for school construction], thereby perhaps causing states and communities to hold back from building their own.

U. S. Commissioner of Education Brownell told a House Education subcommittee on Oct. 8 that his office would "not support any long-range program on school construction" until after the conferences had been held, because the purpose of the meetings was "to get the states to face up to what they wanted to do." In a letter of July 30 to Rep. McConnell (R-Pa.), then chairman of the House Education Committee, Brownell had said: "No single measure at the federal level is going to solve the school construction problem. It must be solved primarily by . . . individual school districts and states."

Even greater reluctance to support federal aid was expressed by Neil H. McElroy, appointed by the President to serve as chairman of the White House education conference committee. McElroy told a news conference on Dec. 2 that he and members of his committee favored continuation of local and state financing wherever possible. He said a major objective of the national meeting was simply to use "the immense prestige of the White House" to focus public attention on educational problems.

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PENDING BILLS ON GRANTS FOR SCHOOL CONSTRUCTION

A number of bills have been introduced in Senate and House to provide direct grants from the federal treasury for construction of school buildings. The Hill bill calls for "emergency" appropriations of \$500 million a year for two years. Another measure, sponsored by Sen. McClellan (D-Ark.) and 23 co-sponsors, would establish a continuing program of federal support. McClellan has said that the school situation will require federal aid over an indefinite period, and that the amount of assistance should be determined by Congress each year in accordance with "economic and budgetary factors." Bills offered by Sen. Dirksen (R-Ill.) and Reps. Bailey (D-W. Va.), Kearns (R-Pa.), and Lesinski (D-Mich.) would authorize annual grants in "such amounts as may be necessary" for a six-year period. Lesinski has introduced another measure to supplement direct grants by federal loans aggregating up to \$3 billion.

The pending bills would require matching of federal grants to assure full state and local participation in school financing. The state would have to submit construction plans for approval by the U. S. Commissioner of Education. All the measures contain provisions to safeguard local or state authority over management and operation of the school systems.

Nearly 30 bills calling for immediate federal aid for school construction were introduced during the 83rd Congress. The Senate Labor Committee on last July 2 reported a bill to authorize emergency grants of up to \$250 million a year for two years. The committee emphasized that states and localities must continue to bear primary responsibility for solution of their educational problems. It said the committee-approved bill should not be regarded as "committing the federal government to a permanent or non-emergency program of financial aid for school construction."

The Senate bill gained wide bipartisan support but was never called up on the floor.² After Congress adjourned in August, a House subcommittee conducted hearings on school construction needs. It reported, Dec. 2, that the hearings "demonstrated that the national interest requires that the federal government join with state and local governments in solving this pressing problem."

² Sen. Cooper (R-Ky.), author of the bill, asserted on Aug. 20 that it failed of passage because southern Democrats feared it would be used to implement the Supreme Court decision outlawing racial segregation in public schools.

School Building Needs and Costs

THE SHORTAGE of school facilities, developing gradually over a long period, did not become acute until several years after World War II, except in localities that had experienced a sudden wartime growth. The present inadequacy of the school plant has resulted primarily from two factors: (1) a 20-year hiatus in school construction and rehabilitation, due to lack of funds during the 1930s and scarcity of building materials in the 1940s, and (2) the sharp rise in the birth rate that began in 1941.³

RECENT AND ANTICIPATED GROWTH OF ATTENDANCE

The impact of an inadequate and obsolescent school plant was lightened to some extent during the early 1940s by a decline in school attendance caused in part by the low birth rate of the previous decade and in part by the fact that large numbers of teen-agers left school to take war jobs. But seven years ago, as the first crop of "war babies" reached school age, it became obvious that existing facilities could not house all incoming pupils, even if classes were enlarged and the school day shortened.

In succeeding years, as the five and six-year-olds of 1947 moved on to higher grades, the pressure of larger-than-capacity attendance was increasingly felt. By the 1953-54 school year, insufficiency of classroom space began to appear in the high schools, particularly because more teen-agers were staying on to finish secondary school. Meanwhile, the birth rate had continued to rise, with the result that increasing numbers of children were entering the lower grades.⁴ The Census Bureau report for October 1954 showed a total school enrollment of 36 million pupils, of whom nearly 30 million were in public schools (22,651,000 in elementary and 7,053,000 in secondary schools). Public school enrollment had risen by 20 per cent since 1948, private school enrollment by 49 per cent.

Vital statistics of the past six years permit fairly accu-

³ Capital outlay for schools ranged from 2 to 11 per cent of total school expenditures between 1932 and 1948, compared with a range of 15 to 22 per cent during the 1920s. By 1952 the ratio had climbed to 24 per cent.

⁴ The record high birth rate of 1947 (26.6 live births per 1,000 population) produced a record increase in first grade enrollment in all schools in 1953. The first grade enrollment of 4,718,000 in public and non-public schools exceeded the 1952 total by more than 750,000.

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rate forecasts of future attendance through the 1959-60 school year. The U. S. Office of Education predicts that the number of pupils in all schools will rise annually by 1.6 million to a total in 1959-60 of 42.6 million, of whom some 36 million will be in public schools. The Census Bureau points out that the sharp increase in first grade enrollment in 1953 will "ultimately result in an eighth grade enrollment in 1960 which will be 43 percent higher than the estimated number now [1953-54] enrolled." By 1964, moreover, there will be "65 per cent more pupils in the fourth year of high school."⁵

ESTIMATED CLASSROOM REQUIREMENTS AND COSTS

Warnings that a critical shortage of classroom space loomed ahead were sounded more than a decade ago. The National Resources Planning Board estimated in 1943 that an expenditure of \$10 billion over a ten-year period would be necessary to meet postwar school needs. The Council of State Governments estimated in 1949 that between 440,000 and 480,000 additional classrooms, costing from \$9 billion to \$11.5 billion, would be required in the ensuing ten years. Surveying the problem in 1950, the Citizens' Federal Committee on Education put the need at 520,000 additional rooms and the cost at \$14 billion. Then, in 1951, the Office of Education raised the estimates to 600,000 additional rooms in seven years at a cost of \$20 billion.

The National Education Association has made annual surveys of school needs since 1942. Its most recent survey, conducted in October 1954, showed that every state has serious elementary school shortages and that 41 states have "large" shortages of secondary school buildings in their urban systems. Although the rural situation has improved, the shortage of school space in the cities has grown worse.

Congress first took note of the nation-wide classroom shortage in 1950, when it authorized expenditure of up to \$3 million to help states finance a two-part study of school needs. The study was to furnish (1) a detailed inventory of existing facilities, current unmet needs, and the amount of state and local resources available to meet those needs, and (2) long-range plans to supply the necessary facilities.⁶

⁵ U. S. Census Bureau, *Current Population Reports* (Series P 25, No. 85, Dec. 7, 1953).

⁶ Less than \$2 million of the money allocated to the states on a 50-50 matching basis was actually expended.

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Information gained from the state-by-state survey provided the basis for official estimates of present and future requirements which the Office of Education submitted to congressional committees last year. The committees were told (1) that 370,000 additional classrooms, costing from \$10 billion to \$12 billion, were currently needed; (2) that available financial resources fell short by \$4 billion to \$6 billion of the total necessary to meet present requirements; (3) that 720,000 additional classrooms, costing \$28 billion, would be needed over the succeeding five years; and (4) that failure to accelerate the existing construction rate of 50,000 classrooms a year would lead to a deficit of 470,000 classrooms by 1959-60.

Communities have been attempting to solve the problem by limited construction of new facilities, often with state aid; by increasing the size of classes beyond established standards; by holding classes in hallways, auditoriums, and basements of school buildings; and by placing children in churches, garages, warehouses and other makeshift quarters. The 1954 N.E.A. survey showed an estimated 700,000 children on part-time schooling, an increase of 200,000 over the number in 1952.

OBSOLESCENCE OF SCHOOLHOUSES IN CONTINUED USE

The state-by-state facilities survey disclosed that today's school buildings had many shortcomings, owing chiefly to the failure over the years to rehabilitate or replace outmoded or decaying structures. Approximately one-half of the public school buildings, attended by nearly one-third of the pupils, were more than 30 years old; 22 per cent of the buildings, housing one-tenth of the children, were more than 50 years old. Many of the older structures had poor ventilation, heating, plumbing and lighting facilities and were otherwise ill-suited to modern educational requirements.⁷

More than one-half of the elementary schools contained only one room. Nearly one-fifth of the elementary pupils went to schools with less than four rooms. Approximately three-fourths of the buildings, housing one-third of the children, were built of combustible materials. Although safety standards require fire-resistant materials for mul-

⁷ "During the past three decades, widespread changes in methods of instruction and in curricular offerings make it difficult in most cases to conceive that an adequate educational program could be offered in buildings erected before 1920."—U. S. Department of Health, Education and Welfare, *Report of the Status Phase of the School Facilities Survey* (December 1953), p. 38.

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tiple-story structures and make certain requirements for single-story structures, it appeared that 18 per cent of the children were attending schools that did not meet the accepted standards; another 16 per cent were in buildings only "possibly acceptable as to fire safety."

The survey showed that at least 56 per cent of the classrooms were overcrowded by the space standard (30 square feet per pupil in elementary schools) of the National Council on Schoolhouse Construction. Two-fifths of the classrooms had daily classes in excess of 30 pupils, which is the standard recommendation for maximum class load. Crowding was more prevalent in the lower grades, 10 per cent of which had more than 40 children to a room. More than four-fifths of the elementary schools lacked special activity rooms, such as kindergarten, music, or art rooms. Twenty-two per cent of the high schools lacked libraries; 18 per cent had no science rooms.

Considering safety, size, sanitation, and educational adequacy together, the survey found that only 27 per cent of the school buildings, serving 40 per cent of the children, were satisfactory; 40 per cent of the buildings, with classrooms for 42 per cent of the children, were rated "fair"; 33 per cent, serving 18 per cent of the children, were termed "unsatisfactory." The worst conditions were in the smaller schools. Virtually all of the country's 45,000 one-teacher schools fell short of modern educational standards. The above data were compiled without reference to the makeshift quarters for pupil overflow, none of which are considered satisfactory for educational purposes.

Problems in Financing School Construction

THE NEED to find vast sums of money for school construction confronts many local districts at a time when they are having great difficulty meeting the rising costs of operating the schools. Public education's fiscal problems in recent years have been so serious, in fact, that they have tended to break down the long-standing tradition that support of local school systems is entirely the responsibility of local communities.

When the states enacted legislation in the 19th century authorizing or requiring their subdivisions to tax themselves to provide universal, free education for children, the designated source of school revenue was real property. Land then constituted the basic wealth of the nation, but with the passage of years its value failed to keep pace with the growth of other forms of wealth, most of which could not be tapped by the local tax collector. In addition, great disparities in the value of real property evolved from the building of railroads, the spread of manufacturing, the discovery and exploitation of natural resources, and other developments that shaped the nation's pattern of growth. In consequence, inequities in the quality of the educational facilities that could be provided in different localities became marked. Long before the present classroom shortage, many communities were finding it difficult to pay the cost of making their schools satisfactory. They began, therefore, to seek aid from state treasuries.

GROWTH OF STATE AID TO EXPAND SCHOOL PLANTS

State aid for school construction began in 1901, with a rural building program in Alabama, and developed slowly until after World War II. There was then a sharp acceleration, but state aid for construction still lags behind state sharing of other educational costs. The states now contribute an estimated two-fifths of the entire \$9 billion public school budget.⁸ However, only one-half of the states make funds available for school construction, and only a few have made construction grants a permanent part of their school aid programs.

State aid nevertheless has been largely responsible for

⁸ Since 1930 the local community's share of total public school expenditures has dropped from an average of 83 per cent to 53 per cent.

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a spurt in total capital outlay for schools from a wartime low of \$53.9 million in 1944 to approximately \$2.5 billion in 1954.⁹ The U. S. Office of Education estimates that capital outlay for schools has been increasing by an average of \$200 million a year since 1950. Expansion of state aid for school construction has been particularly marked in the South; capital outlay in Florida, for example, rose from \$4.80 per pupil in 1946-47 to \$64 in 1952 and an estimated \$90 in 1954-55.

The states supply funds for school construction from general revenues, from specially earmarked tax receipts, and from the proceeds of borrowing. The state government of South Carolina, which has borne virtually all school building costs in the state since 1951, finances the program by a 3 per cent general sales tax. Some state governments make construction loans as well as outright grants to local communities. Loans authorized by California in recent years have amounted to \$435 million; Arkansas maintains a revolving fund for school construction loans.

A new development in financing school construction has appeared with the creation of state-chartered school construction authorities empowered to borrow money, acquire sites, and contract for erection of schools. Buildings so constructed are rented to the local communities at rates sufficient to reimburse the authority over a period of years. Pennsylvania in 1947 was the first state to set up a school construction authority; establishment of similar agencies has since been approved in Georgia, Indiana, Kentucky, and Maine. Local school districts in some cases have been unable to meet the repayment terms, and the states have assumed a part of the rental charges or extended supplementary aid.

President Eisenhower is reported to feel that the school authority device should be encouraged by federal insurance of authority bond issues. Most education officers, however, oppose school construction authorities on the ground that they "complicate the work of superintendents and school boards by usurping such educational decisions as the location, type and character of the facilities for teaching."¹⁰

⁹ The term "capital outlay" as used in school finance covers the cost of land, construction, and permanent equipment and supplies. In most instances it includes also the purchase cost of school buses. Debt retirement charges are not included.

¹⁰Edgar Fuller, executive secretary of the Council of Chief State Officers, quoted in *Congressional Record*, Jan. 16, 1955, p. A231.

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There is some doubt also as to the constitutionality of such a setup. The Pennsylvania supreme court in 1949 ruled that that state's school authority act was constitutional, but the fact that the authority is primarily a device for evading constitutional debt limits, and that it is remote from public control, has left openings for legal questioning elsewhere.

The President's Economic Report of Jan. 20 spoke favorably of school authorities as an "alternative financing measure" in states where tax-rate or debt limits cannot be quickly liberalized. The report said that "Use might be made of lease-purchase plans, whereby municipalities can acquire needed buildings through instalment payments and yet stay within their existing debt limits." It suggested also that markets for small issues of little-known municipalities might be broadened by encouraging establishment of investment trusts that would specialize in the securities of local and state governments; exemption from federal income tax of dividends on shares of such trusts was proposed.

WIDE VARIATIONS IN ABILITY TO PAY FOR SCHOOLS

Whatever form school financing takes, the cost up to now has had to be borne ultimately by taxpayers within the states. The present question is whether combined local and state resources are sufficient to meet the mounting need for new schools. Ability to finance public education may be estimated from such factors as the numbers of school-age children (5-17 years), the ratio between the number of such children and the number of wage-earners in a state, per capita income, and the amount of income per child to be educated. Also bearing to some degree on ability to pay are such considerations as the amount of outstanding public debt and the extent of current demands for other public facilities and services.

The financial capacity of the states varies widely. Per capita income in 1953 ranged from \$2,304 in Delaware down to \$834 in Mississippi. The lowest per capita state incomes were found in the Southeast, where there was also the largest number of school-age children relative to the number of wage-earning adults. State income per child aged 5 to 17 in 1951 ranged from \$11,365 in New York to \$2,890 in Mississippi. Eleven states, all in the South, had less than \$5,000 of income per school-age child, compared with a national average of \$7,676.

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In the state-by-state facilities survey in 1952 it was the states with the lowest incomes and the most children that reported the greatest difficulty in meeting school construction needs. Alabama, which is third from the bottom in per capita income and fourth from the top in the proportion of school-agers in its population, estimated school construction needs of \$300 million but said that it could finance less than $2\frac{1}{2}$ per cent of that amount from "applicable resources." Arkansas, ranking next to the bottom in per capita income and third from the top in the relative number of school-age children, said it could supply only 18 per cent of the estimated \$256 million needed for school construction.

Even more prosperous states reported that it would be hard to raise enough school construction funds from available resources. Indiana, whose per capita income of \$1,882 ranks 12th from the top and which has a ratio of school-age children to wage earners that is at the national average, said it could provide scarcely 30 per cent of the \$257 million that should be spent on school construction in the state. None of the 43 jurisdictions reporting in the survey professed ability to meet all capital outlay needs.

At least one state, however, was not seeking federal aid. James F. Byrnes, then governor of South Carolina, wired the House Education subcommittee on July 21 that his state's current construction program was "sufficient to provide necessary classrooms . . . without federal assistance or interference." South Carolina has a larger proportion of children of school age than any other state, and its per capita income is among the lowest. According to the 1954 N.E.A. report, New York, which is currently spending \$275 million for capital outlay on schools, is one of the few states with only "small" or "some" rather than "large" shortages of school facilities. Yet Averell Harriman said at a news conference on Nov. 21, three weeks after his election as governor, that he favored federal aid for school construction to improve the competitive positions of the various states.

POSSIBILITY OF SWELLING LOCAL SCHOOL REVENUES

Whether or not Congress at its current session makes provision for federal aid for school construction, the White House conference on educational needs is slated to consider

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whether a sufficient effort has yet been made to meet school building costs from state and local resources. The 17 states that contribute less than the national average of 2.27 per cent of state income for school support are expected to survey their fiscal policies to determine whether inadequate taxation rather than inadequate income is at the root of their difficulties. Some localities might be able to make a larger investment in their schools if they were not barred from doing so by constitutional and statutory limitations on taxing and borrowing powers.

Large deficiencies in the resources available to meet estimated school housing needs, as reported in the state-by-state survey, represent the sum of each local unit's deficiency, if any, under existing legal limitations on raising money. Hence they do not necessarily represent the true index of a state's ability to meet state-wide needs for school structures out of total state income. Commissioner of Education Brownell recently pointed to five major impediments to more extensive school construction that could be removed at the state level:

1. Restrictions on the taxing powers of local school districts.
2. Low property assessments for tax purposes.
3. Legal ceilings on bonded indebtedness.
4. Restrictions on consolidation of school districts.
5. Absence or insufficiency of state aid.

Several states in recent years have extended local taxing powers to levies on wages, income, sales, admissions, and various business transactions.¹¹ In most states, however, local units are permitted to use only revenue from the real property tax for school support. That limitation may be compounded by the wide variations in property assessment for tax purposes. A low assessment tends to restrict current revenue, and it holds down the debt limit. A district may be reluctant to increase assessments, because it would then become liable to pay a larger share of county and state taxation. Enforcement of uniform property assessment standards within a state would help to overcome some of the obstacles to expanding revenues for school purposes.

Almost all states place ceilings on rates of local taxation and on the amount of local indebtedness that may be incurred. Raising the maximums in some areas might pro-

¹¹ The group includes California, Illinois, Louisiana, Mississippi, New York, Pennsylvania, and West Virginia.

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duce more revenue without damage to local economies. It is sometimes suggested also that certain exempt properties ought to be subjected to taxation. Several states compensate local units for revenue lost from homestead exemptions; Iowa in 1952 paid out \$22 million for that purpose.

ECONOMIES IN REORGANIZATION OF SCHOOL DISTRICTS

Another approach to a solution of school financing problems is to work for more efficient organization and administration of educational systems. Many school districts were laid out in an era when each school had to be within walking distance of pupils' homes. Some of those districts today lack the income to provide standard educational facilities; others, because of sparse population, have unduly high per-pupil costs. Although the total number of school districts has been reduced by one-half in the past 20 years, there are still 65,000 in the United States; many of them operate small, below-standard schools.

In drawing new district boundaries and selecting sites for consolidated schools to serve an enlarged district, authorities must take into account the mobility of families of young persons. Failure to foresee accurately the future pattern of population concentrations or dispersals may defeat the purpose of school reforms within a few years.

Loss of population in rural areas has weakened the tax base of school districts and increased the per-pupil cost of public education. The mushrooming of suburban developments has resulted in a complex of school district taxing boundaries that sometimes bears little relationship to economic realities. A school district that encloses an integrated social and economic unit, and whose property valuations for tax purposes are commensurate with local income, is in the best position to finance adequate schools.

Although administrative and fiscal reforms might ease the school financing problem, it is doubtful whether the resulting economies and additional revenues would be sufficient to provide all the facilities that will be needed in the next decade. For the most part, states with the lowest per capita incomes are already making a greater than average effort to improve their schools.

New Channel for Federal Aid to Education

A PROGRAM of federal grants-in-aid to help the states construct school buildings would represent a major development in the central government's steadily expanding role in education. Although Congress over the past two decades has voted substantial contributions to public school construction, it has done so only to meet special, not general, educational needs. Under a program of the kind proposed in pending bills, the national government would undertake for the first time to share the cost of constructing schools on a nation-wide basis as a direct aid to public education.

Earlier efforts to win approval for a federal program to help the public schools meet general costs foundered in controversy over two major issues: (1) whether federal aid would lead to federal control, and (2) whether grants should go to parochial as well as to public schools. Federal assistance for a "brick and mortar" program does not raise the parochial school issue, but concern over the possible effect of such a program on local control of schools is still frequently expressed.

The local school issue may be presented in a new aspect in the forthcoming debate by the proposal of riders which would deny federal assistance to states or localities failing to comply with the Supreme Court ruling against segregation in school facilities. Sen. Ives (R-N. Y.) said, Jan. 31, that he thought "any legislation which will pass would have a provision making it conform to the Supreme Court decision on segregation." The offering of such an amendment has already been promised by Sen. Bender (R-O.), with support from the National Association for the Advancement of Colored People.

CURRENT DEBATE ON FEDERAL AID FOR CONSTRUCTION

As in any federal grant program, establishment of certain standards as to disposition of allotments and as to the nature of the structures to be erected would be required, and state plans for use of federal funds would have to be approved by the federal agency administering the grants. Proponents of the current proposals hold that enforcement of such standards would in no wise result in federal interference in the conduct of educational programs. Any law making federal aid available for school construction would

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be certain to contain a provision specifically banning such intervention, as did war and postwar acts authorizing federal grants for schools in federally impacted areas.¹²

Supporters of direct federal aid for school construction assert that the urgent need can be met promptly only with the assistance of a federal program; that mobility of population makes educational inequalities a matter of interstate concern; and that federal grants offer the only means of equalizing educational opportunity throughout the country. They add that federal aid would encourage additional spending by states and localities and would give schools financial benefits that highways and hospitals now enjoy as a result of federal grants.

Opponents contend, on the other hand, that federal aid would discourage adequate school spending by states and localities. They insist, moreover, that the states are in a better position than the federal government to impose additional taxation or take on the load of additional debt. As for federal aid for roads and hospitals, these programs are said to relieve states of otherwise normal expenditures and thus to ease their school financing problems.

There is no direct constitutional authority for federal aid to education. An act of the Congress of the Confederation in 1785, setting aside land in the Northwest Territory for support of schools, is frequently given as the earliest precedent for such aid. Congress also endowed each new state admitted to the union with public lands for the support of schools. Numerous school construction projects were given federal aid to provide employment during the depression. The independent position of the land grant colleges, which have been receiving federal assistance since their establishment in 1862, is often cited as evidence that federal aid does not necessarily mean federal control.

PROPOSED FORMULAS FOR ALLOTTING FUNDS TO STATES

Pending bills on school construction are patterned after the Hospital Survey and Construction (Hill-Burton) Act of 1946 in that they establish a formula by which the federal, state and local governments would share the burden of financing needed facilities, and in that they limit the inter-governmental relationship to this function. Like the hos-

¹² Such acts authorized appropriations for grants to finance school construction in localities which had experienced sudden expansions of population due to federal activities.

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pital construction law, most of the pending school measures would establish a variable ratio of federal-state-local expenditure according to population, per capita income, and adequacy of existing facilities. The states would be required to develop fund distribution plans giving priority to localities in greatest need.

Under the Hill bill, the U. S. Commissioner of Education would establish an allotment for each state. The allotment is to be determined on the basis of a mathematical formula that takes into account the state's per capita income and school-age population, relative to the United States as a whole, over the past three years. The federal share of the cost of the program in each state is to be not less than $33\frac{1}{3}$ nor more than $66\frac{2}{3}$ per cent of the total, and no state is to receive less than \$200,000.¹³

The McClellan bill provides a somewhat different mathematical formula, based on the same factors of per capita income and school-age population and with larger amounts of federal aid going to the needier states. The McClellan formula would establish the amounts to be expended not only by the federal government but also by non-federal agencies. To illustrate his proposal, McClellan has drawn up a table showing a total program of \$237,500,000 for school construction in the 48 states, of which \$95 million or \$3 per pupil would be the federal share. Federal allotments would range from \$2.10 per pupil in Delaware to \$5.68 per pupil in Mississippi, with Delaware putting up \$5.43 per pupil from in-state resources and Mississippi only \$1.86.

However building of schools is financed, it appears likely that the percentage of national income that goes into school construction will increase in the years ahead. A recent study of school financing, made by Beardsley Ruml for the National Citizens' Commission for Public Schools, indicated that the anticipated increase in total school expenditures over the next ten years (including an estimated \$32 billion for 950,000 additional classrooms) would bring about only a slight rise in the percentage of the gross national product devoted to public education. The increase, from 2.6 to 3.6 per cent, is considered well within the country's means.

¹³ Under the Hill-Burton Act, federal payments were limited originally to one-third of total cost, but when some communities proved unable to raise the balance, Congress in 1949 authorized federal participation up to two-thirds of the cost. The result was a system which provides $2\frac{1}{2}$ times more aid to poor states than to richer states.